

001

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL

GAS

WELL ☒WELL ☐

OTHER

SINGLE
ZONE☒MULTIPLE
ZONE☐

2. NAME OF OPERATOR

Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341

11002 East 17500 South

Fax: 435-781-4329

Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

117' FNL, 687' FEL NENE

At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

5 miles West of Redwash Utah

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST

117' ±

PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. Unit line if any)18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR ON THIS LEASE, FT.

500' ±

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5130' GR

16. NO. OF ACRES IN LEASE

2080

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5802' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Operations will be according to the Standard Operating Procedures for the Red Wash Unit, Wonsits Valley Federal Unit and area Green River formation wells.

See Onshore Order No. 1 attached.

Please be advised that Shenandoah Energy Inc. is considered to be the operator of the above mentioned well. Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 0969. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3104.2.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program if any.

24

SIGNED

John Busch

John Busch

TITLE Red Wash Operations Representative

DATE 2/12/01

(This space for Federal or State office use)

PERMIT NO.

43047-33951

Federal Approval of this
Action is Necessary

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Bradley G. HillBRADLEY G. HILL
RECLAMATION SPECIALIST

DATE 03-05-01

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED

FEB 14 2001

DIVISION OF
OIL, GAS AND MINING

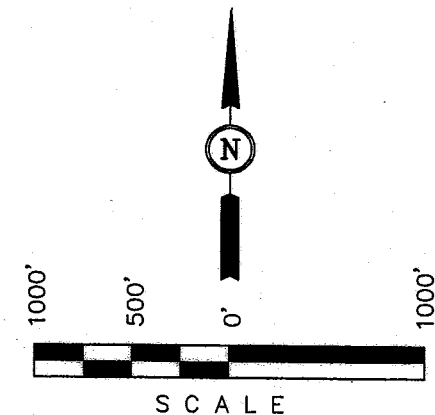
CONFIDENTIAL

SHENANDOAH ENERGY, INC.

Well location, RWU #41-23A, located as shown in the NE 1/4 NE 1/4 of Section 23, T7S, R22E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTHEAST CORNER OF SECTION 23, T7S, R22E, S.L.B.&M. TAKEN FROM THE RED WASH NW, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5439 FEET.



CERTIFICATE

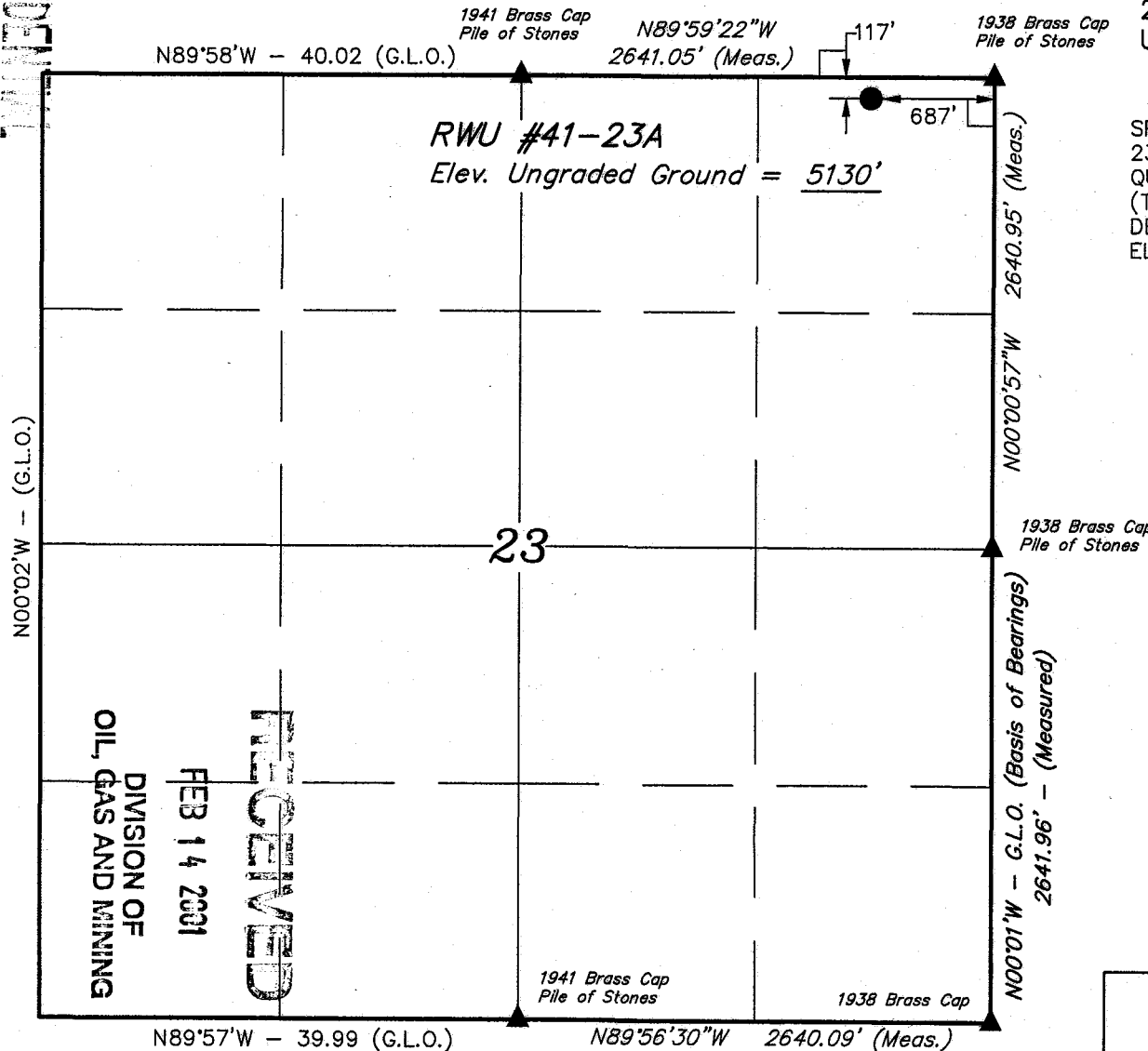
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REG. NO. 161319
 R. ROBERT L. ...
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 01-17-01	DATE DRAWN: 01-22-01
PARTY G.S. T.A. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE SHENANDOAH ENERGY, INC.	

T7S, R22E, S.L.B.&M.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 40°12'14"
 LONGITUDE = 109°23'58"

DIVISION OF OIL, GAS AND MINING

FEB 14 2001

RECEIVED

SHENANDOAH ENERGY, INC.

ONSHORE OIL & GAS ORDER NO. 1
 Shenandoah Energy Inc.
 RWU #41-23A

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	2857'	
Mahogany Ledge	3752'	
Mesa	5627'	
TD (Green River)	5802'	Oil

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	5802'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2320.8 psi.

4. Surface Ownership

The well pad and access road are located on lands owned by the Federal Government.

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FEB 14 2001

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC.
RED WASH UNIT #41-23A
NENE, SECTION 23, T7S, R22E
UINTAH COUNTY, UTAH

1. Plans for Reclamation of the Surface

As per our onsite on February 1 with Byron Tolman Vernal BLM, Raleen Searle Shenandoah Energy Inc., John Busch Shenandoah Energy Inc. the following stipulations were determined. There will be a pit liner. The seed mixture is as follows consisting of 12lbs per acre:

- 4lbs – Indian Rice Grass
- 4lbs – Needle & Thread Grass
- 4lbs – Fourwing Salt bush

2. Other Information

See attached maps

Topo map A- Access routes

Topo map B- Proposed Access road

Topo map C- Location of wells within a one mile radius

Topo map D- Proposed pipeline

RECEIVED

FEB 14 2001

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Busch

John Busch
Red Wash Operations Representative

FEBRUARY 12, 2001

Date

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FEB 14 2001

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

SHENANDOAH ENERGY, INC.

RWU #41-23A

LOCATED IN UTAH COUNTY, UTAH
SECTION 23, T7S, R22E, S.L.B.&M.

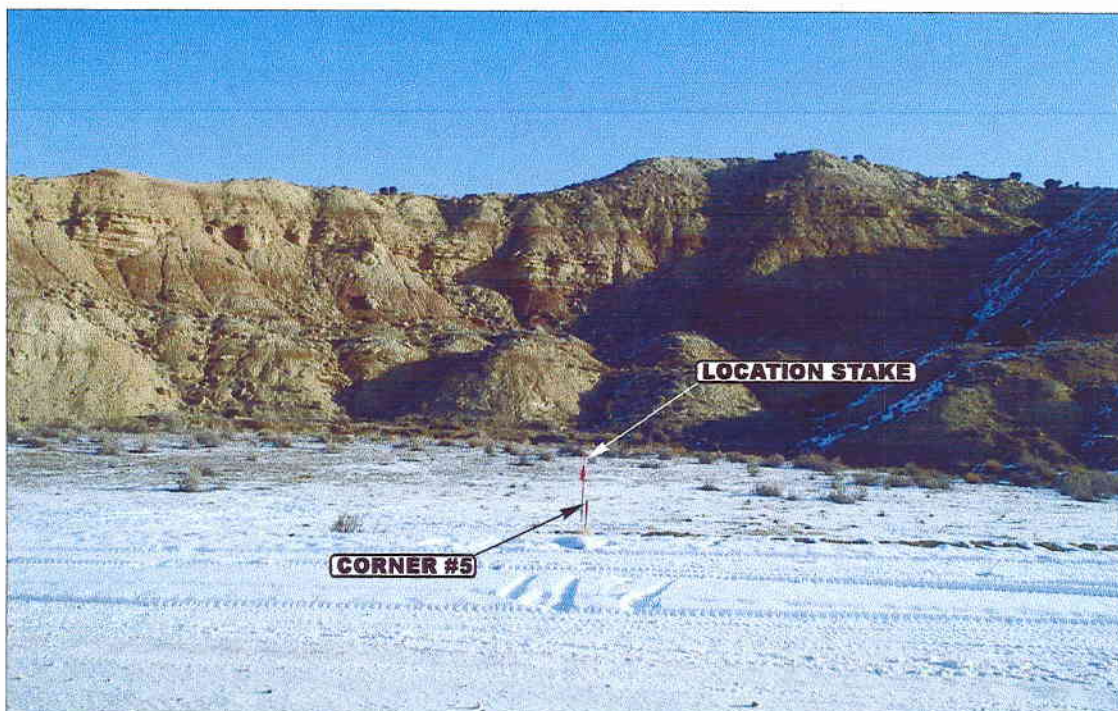


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

1 **22** **01**
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

DRAWN BY: K.G.

REVISED: 00-00-00

CONFIDENTIAL

SHENANDOAH ENERGY, INC.

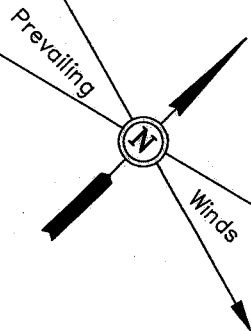
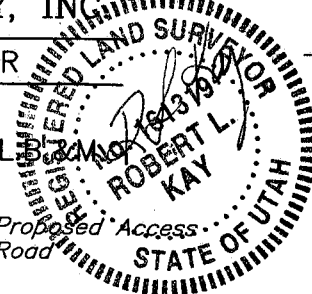
LOCATION LAYOUT FOR

RWU #41-23A

SECTION 23, T7S, R22E, S.1

117' FNL 687' FEL

FIGURE #1



SCALE: 1" = 50'
DATE: 01-22-01
Drawn By: D.R.B.

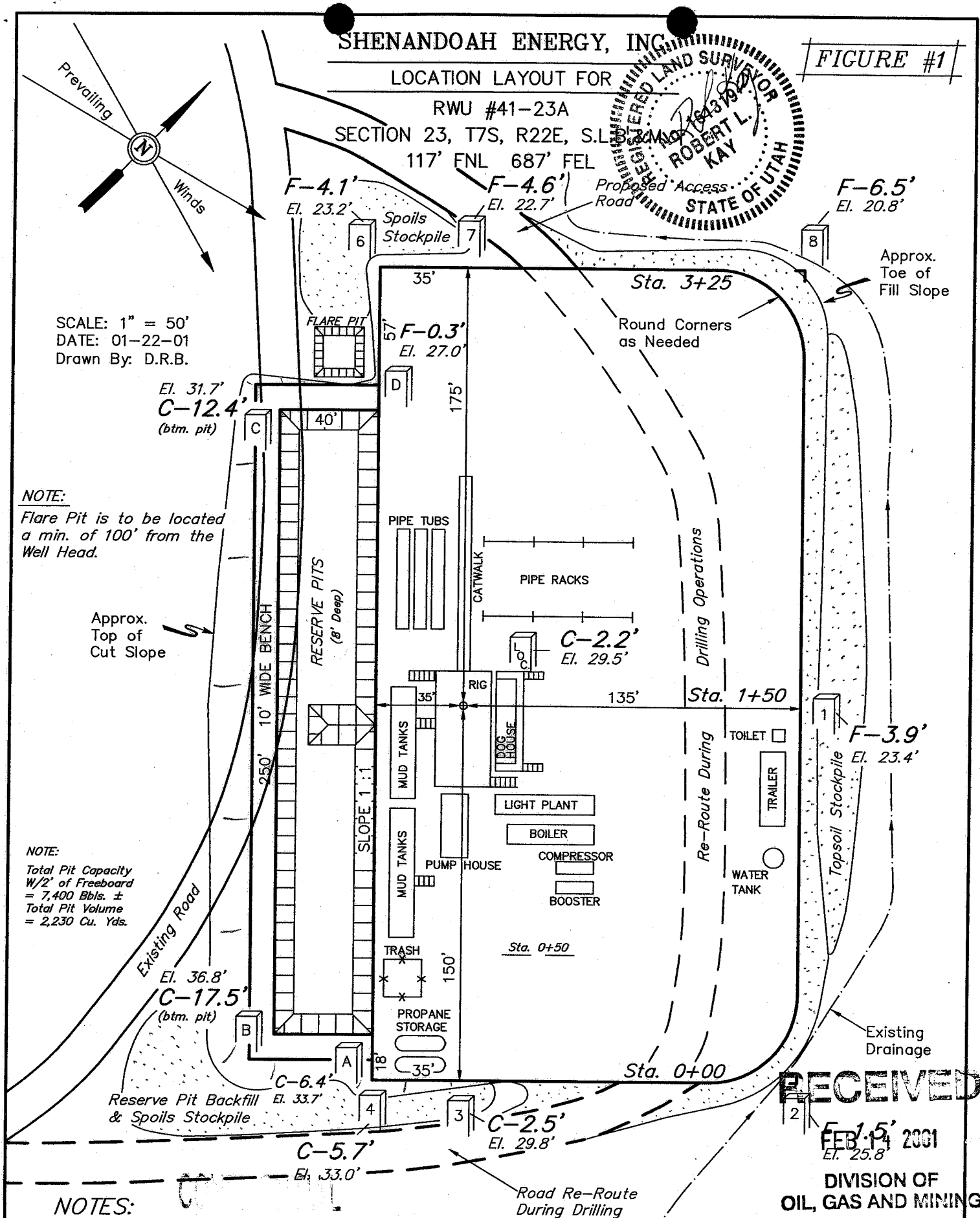
NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope

NOTE:

Total Pit Capacity
W/2' of Freeboard
= 7,400 Bbls. ±
Total Pit Volume
= 2,230 Cu. Yds.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5129.5'

FINISHED GRADE ELEV. AT LOC. STAKE = 5127.3'

RECEIVED

FEB 14 2001
El. 25.8'

DIVISION OF
OIL, GAS AND MINING

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

SHENANDOAH ENERGY, INC.

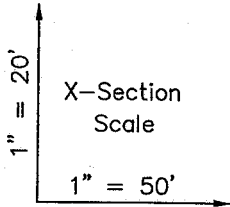
TYPICAL CROSS SECTIONS FOR

RWU #41-23A

SECTION 23, T7S, R22E, S.L.B.&M

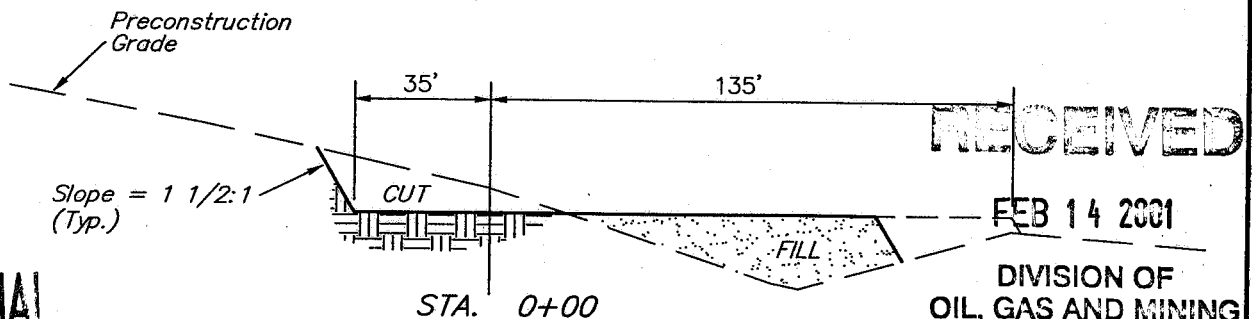
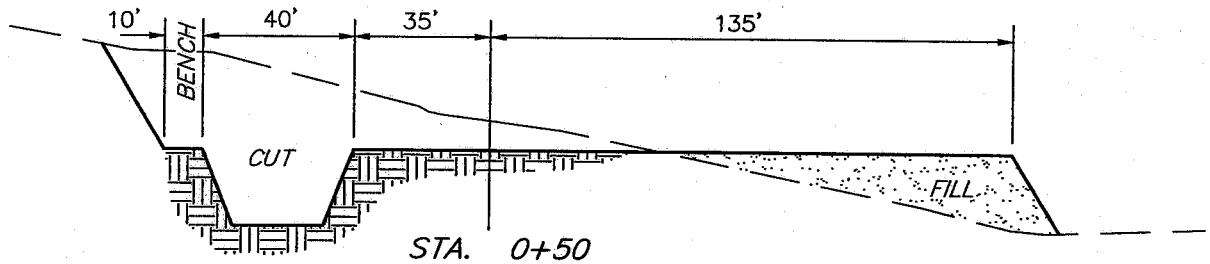
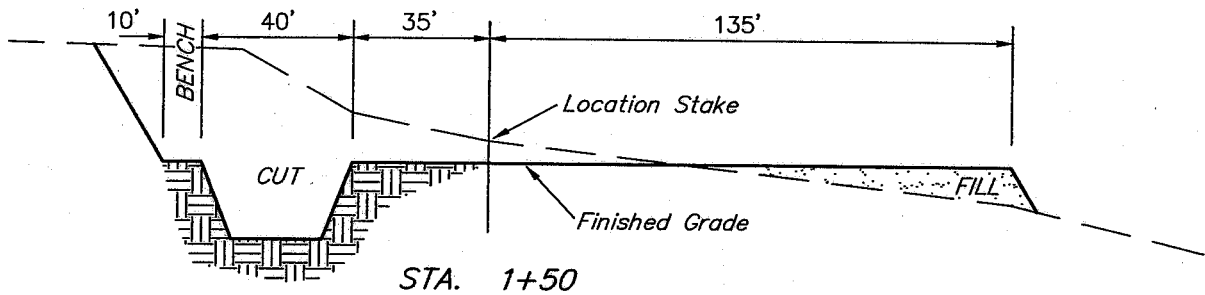
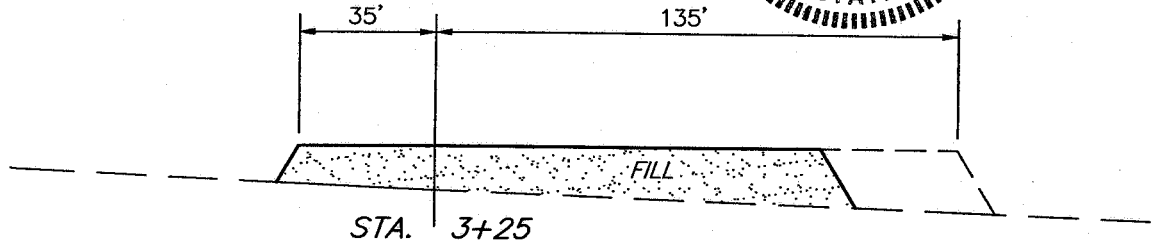
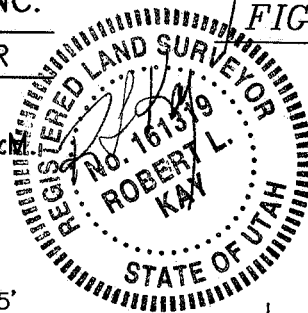
117' FNL 687' FEL

FIGURE #2



DATE: 01-22-01

Drawn By: D.R.B.



CONFIDENTIAL

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,270 Cu. Yds.

Remaining Location = 7,690 Cu. Yds.

TOTAL CUT = 8,960 CU.YDS.

FILL = 6,240 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION

= 2,390 Cu. Yds.

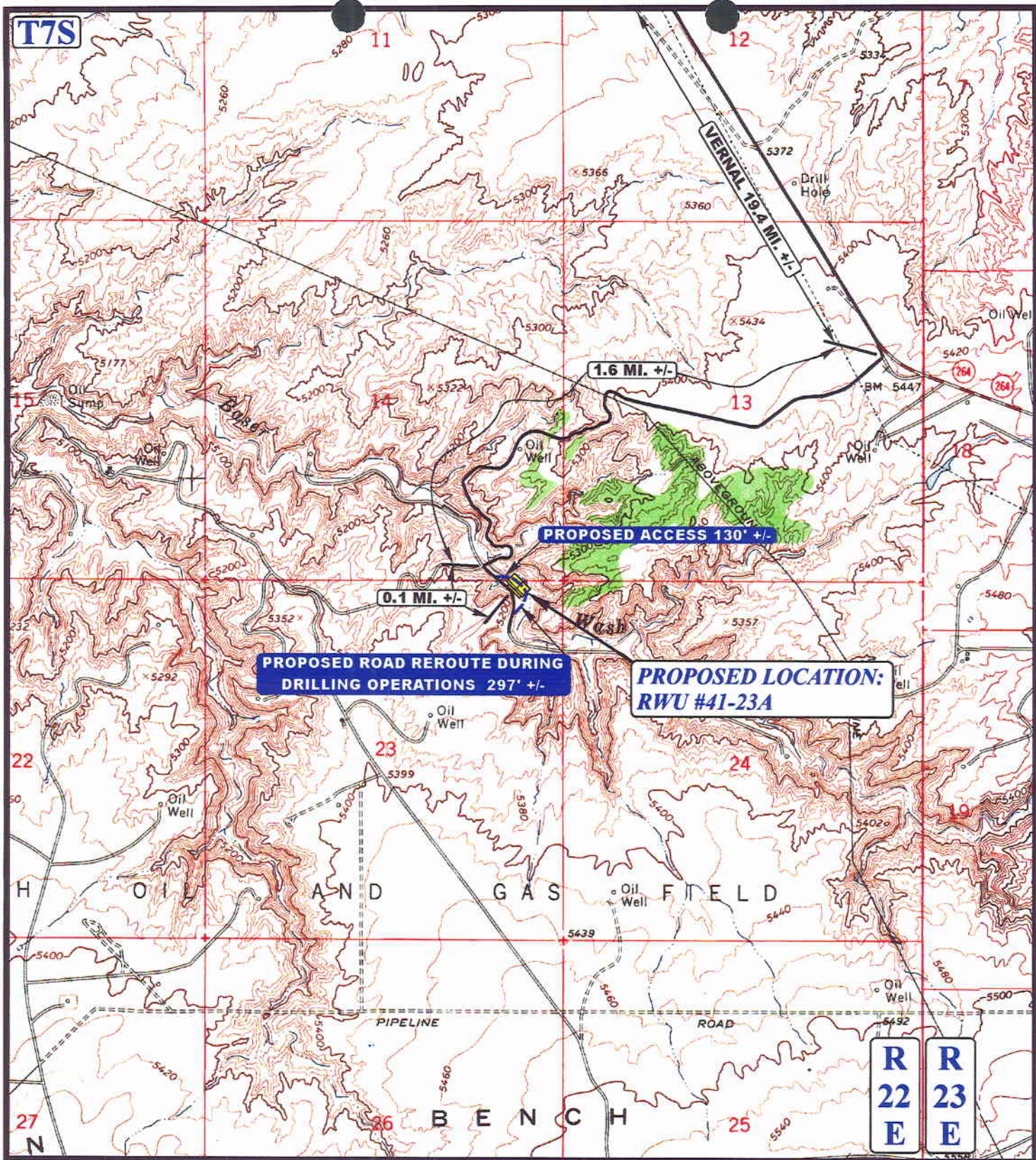
Topsoil & Pit Backfill
(1/2 Pit Vol.)

= 2,390 Cu. Yds.

EXCESS UNBALANCE
(After Rehabilitation)

= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

----- PROPOSED ACCESS ROAD

————— EXISTING ROAD

SHENANDOAH ENERGY, INC.

RWU #41-23A

SECTION 23, T7S, R22E, S.L.B.&M.

117' FNL 687' FEL

U E I S

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP

1 22 01

MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00

B

TOPO

CONFIDENTIAL

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/14/2001

API NO. ASSIGNED: 43-047-33951

WELL NAME: RWU 41-23A

OPERATOR: SHENANDOAH ENERGY INC (N4235)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

NENE 23 070S 220E

SURFACE: 0117 FNL 0687 FEL

BOTTOM: 0117 FNL 0687 FEL

UINTAH

RED WASH (665)

LEASE TYPE: 1-Federal

LEASE NUMBER: U-0559

SURFACE OWNER: 1-Federal

PROPOSED FORMATION: GRRV

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

Geology

Surface

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-0969)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5 (B) or 190-3
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

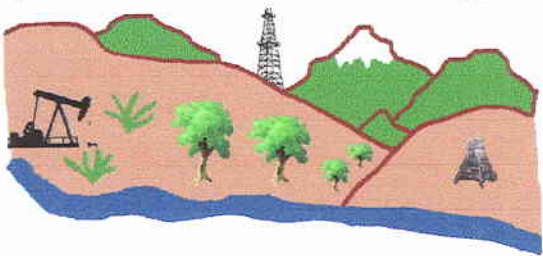
___ R649-2-3. Unit RED WASH
___ R649-3-2. General
___ Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
___ R649-3-11. Directional Drill

COMMENTS:

Need add'l info. "Ex. Loc." (Rec'd 3-1-01)

STIPULATIONS:

① FEDERAL APPROVAL



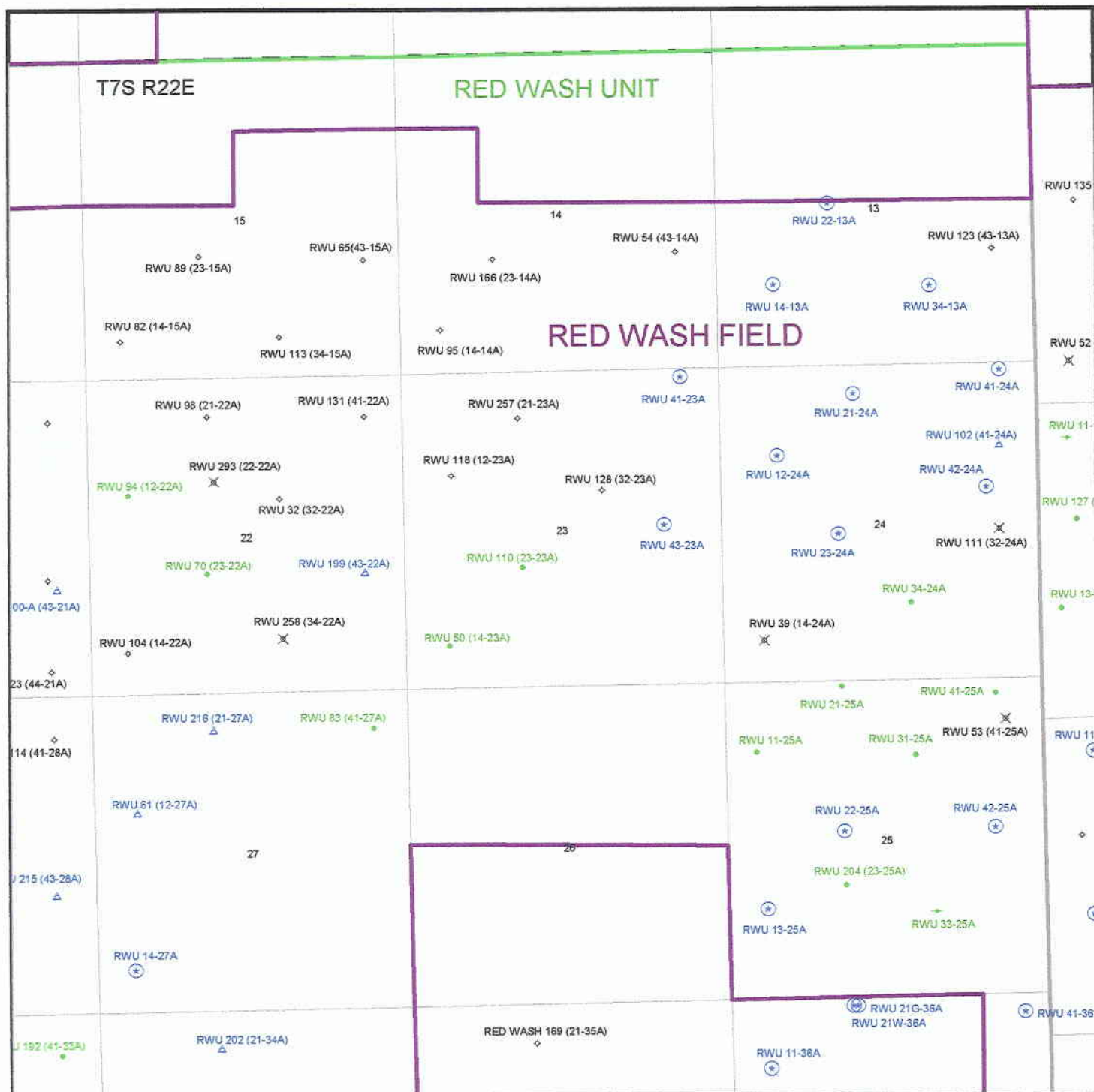
Utah Oil Gas and Mining

OPERATOR: SHENANDOAH ENERGY (N4235)

FIELD: RED WASH (665)

SEC. 23, T7S, R22E,

COUNTY: UINTAH UNIT: RED WASH
SPACING: R649-3-3/EX LOC



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

February 22, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2001 Plan of Development Red Wash Unit,
Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2001 within the Red Wash Unit, Uintah County, Utah.

Api Number	Well	Location
------------	------	----------

(Proposed Green River Completions)

43-047-33949	RWU 43-23A	Sec. 23, T7S, R22E 2581 FNL 0959 FEL
43-047-33950	RWU 14-13A	Sec. 13, T7S, R22E 1323 FSL 0958 FWL
43-047-33951	RWU 41-23A	Sec. 23, T7S, R22E 0117 FNL 0687 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Red Wash Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:2-22-1

SHENANDOAH ENERGY INC.

11002 East 17500 South
Vernal, UT 84078
Phone: (435) 781-4300
Fax (435) 781-4329

February 28, 2001

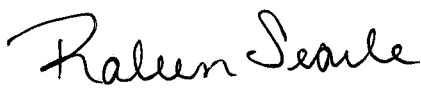
Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Shenandoah Energy Inc. Red Wash Unit #41-23A is an exception location due to a closure of 700' between T7S, R22E, & T7S, R23E. This lease #(U-0559) is under the Red Wash Unit Agreement and all owners are committed under the Unit Agreement.

There are no additional lease owners within 460' of this proposed well. If you have any question please contact Raleen Searle @ (435) 781-4309.

Thank you,


Raleen Searle
Administrative Assistant

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MAR 01 2001

DIVISION OF
OIL, GAS AND MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 5, 2001

Shenandoah Energy, Inc.

11002 E 17500 S

Vernal, UT 84078

Re: Red Wash Unit 41-23A Well, 117' FNL, 687' FEL, NE NE, Sec. 23, T. 7 South,
R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33951.

Sincerely,

A handwritten signature in dark ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Shenandoah Energy, Inc.
Well Name & Number Red Wash Unit 41-23A
API Number: 43-047-33951
Lease: U-0559

Location: NE NE Sec. 23 T. 7 South R. 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

PROVED
1004-0136
Expires: February 28, 1995

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

U-0559

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

RED WASH UNIT

8. FARM OR LEASE NAME, WELL NO.

RWU #41-23A

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

RED WASH

11. SEC., T., R., M., OR BLK
AND SURVEY OR AREA

SEC. 23, T7S, R22E, SLB&M

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL

GAS

WELL ☒

WELL ☐

OTHER

SINGLE

ZONE ☒

MULTIPLE

ZONE ☐

2. NAME OF OPERATOR

Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341

11002 East 17500 South

Fax: 435-781-4329

Vernal, Utah 84078

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5 miles West of Redwash Utah

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TO THIS WELL

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PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. Unit line if any)

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TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR ON THIS LEASE, FT.

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19. PROPOSED DEPTH

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20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5130' GR

22. APPROX. DATE WORK WILL START*

A.S.A.P

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24

SIGNED

John Busch

John Busch

TITLE Red Wash Operations Representative

DATE 2/12/01

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

NOTICE OF APPROVAL

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

[Signature]

TITLE

Assistant Field Manager
Mineral Resources

DATE

05/01/2001

CONFIDENTIAL

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.

Well Name & Number: RWU 41-23A

API Number: 43-047-33951

Lease Number: U - 0559

Location: NENE Sec. 23 T.7S R. 22E

Agreement: Red Wash Unit

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

DRILLING PROGRAM

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top behind the production casing at least 200' above the base of the usable water zone identified at $\pm 4290'$.

The variances requested in section 9 of the Red Wash Unit SOP

Where the location and rig layout allows, the blooie line shall be straight and extend 100' from the wellbore. This requirement will be waived only in the case where the location is too small to accommodate it.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

Other Information

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 789-7077 (HOME) (435) 646-1685 (PAGER)
Petroleum Engineer

Kirk Fleetwood (435) 789-6858 (HOME) (435) 646-1678 (PAGER)
Petroleum Engineer

Jerry Kenczka (435) 781-1190 (HOME) (435) 646-1676 (PAGER)
Petroleum Engineer

BLM FAX Machine (435) 781-4410

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

-The topsoil from the reserve pit will be piled separately from the location topsoil. It will be placed on the west end of the reserve pit.

-Since the oil will be tanked on location and hauled to central battery, no pipeline or powerline will be constructed on this location.

-Once the reserve pit is reclaimed, the main road will be re-established as to avoid having through traffic travel across the well location.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil

Gas



Well



Well



Other

CONFIDENTIAL

2. Name of Operator

SHENANDOAH ENERGY INC

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

117' FNL, 687' FEL NENE Sec. 23, 7S 22E

5. Lease Designation and Serial No.

U-0559

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Red Wash Unit

8. Well Name and No.

RWU 41-23A

9. API Well No.

43-047-33951

10. Field and Pool, or Exploratory Area

RED WASH - GREEN RIVER

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice

TYPE OF ACTION



Abandonment



Recompletion



Plugging Back



Casing Repair



Altering Casing



Other APD Extension



Change of Plans



New Construction



Non-Routine Fracturing



Water Shut-Off



Conversion to Injection



Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 41-23A.

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

By:

COPY SENT TO OPERATOR

Date:

Initials:

RECEIVED

APR 23 2002

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Signed JOHN BUSCH

Title OPERATIONS REPRESENTATIVE

Date 4/22/02

(This space for Federal or State office use)

Approved by:

Title

Date

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

008

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir

Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

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APR 22 2002

2. Name of Operator

SHENANDOAH ENERGY INC

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

117' FNL, 687' FEL NENE

5. Lease Designation and Serial No.

U-0559

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Red Wash Unit

8. Well Name and No.

RWU 41-23A

9. API Well No.

43-047-33951

10. Field and Pool, or Exploratory Area

RED WASH - GREEN RIVER

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD Extension
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 41-23A.

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JUN 12 2002

DIVISION OF
OIL, GAS AND MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.

Signed JOHN BUSCH

Title OPERATIONS REPRESENTATIVE

Date 4/22/02

(This space for Federal or State office use)

Approved by:

Title Petroleum Engineer

Date

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

DOGm

Shenandoah Energy Inc.
APD Extension

Well: RWU 41-23A

Location: NENE Sec 23 T7S, R23E ^{22E}

Lease: UTU 0559

CONDITIONS OF APPROVAL

An extension for the referenced APD is granted with the following conditions:

1. The extension will expire 5/1/03
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood of this office at (435) 781-4486

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JUN 12 2002
DIVISION OF
OIL, GAS AND MINING



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

May 1, 2003

Raleen Searle
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, UT 84078

Re: APD Rescinded – RWU 41-23A, Sec.23 T.7S, R.22E –Uintah County, Utah,
API No. 43-047-33951

Dear Ms. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 5, 2001. On April 23, 2002, the Division granted a one-year APD extension. On May 1, 2003, you requested that the division rescind the approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 1, 2003.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

June 12, 2003

Raleen Searle
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, UT 84078

Re: Notification of Expiration
Well No. RWU 41-23A
NENE, Sec. 23, T7S, R22E
Uintah County, Utah
Lease No. UTU-0559
Red Wash GR

Dear Raleen:

The Application for Permit to Drill the above-referenced well was approved on May 1, 2001. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until May 1, 2003. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker
Legal Instruments Examiner

cc: UDOGM – Diana Mason

RECEIVED

JUN 18 2003

DIV. OF OIL, GAS & MINING